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Maricopa County Financial & Personnel Resources 2nd Quarter Report **Prepared By The Chief Resource Office**

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District 4

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District 5

COUNTY ADMINISTRATIVE OFFICER

David R. Smith

CHIEF RESOURCE OFFICER

Sandra L. Wilson

Maricopa County   301 West Jefferson, Suite 1070   Phoenix, Arizona 85003
Phone (602) 506-7280   Fax (602) 506-3063
http://ww2.maricopa.gov/mgt_budget/mgt_budgetmain.html-ssi

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INTRODUCTION

Enclosed is the first Maricopa County Financial and Personnel Resources Status Report. It was developed to provide a Countywide overview of both financial and human resources issues and trends. The goal is to provide management with the information necessary to identify, resolve and successfully manage their staffing and related financial issues. Expenditures for personnel services account for more than 65% of the County's controllable General Fund budget. Effective tracking and controls placed on these expenditures are extremely important. Historical tracking of funded positions is a key element in this process.

Since October of 1994, after the passage of the Unfunded Position Policy, the Office of Management and Budget (OMB) has been working with departments to effectively manage position control. Through automated solutions and departmental cooperation, all positions within Maricopa County are tracked, and full funding is ensured.

Information concerning departments with small numbers of employees (less than 25) should be used with extreme caution. A change of one or two vacancies, positions, or terminations reflect a higher percentage change than those same movements within larger departments. These higher percentage changes may or may not reflect significant issues within these smaller departments.

It is the intent of this report to provide information regarding position control and the following summary information:

- Personnel Savings
- Attrition (Turnover Rates)
- Separations

Any questions you may have regarding this report or the position control process may be addressed to Maricopa County, Chief Resource Office, 301 West Jefferson, Suite 1070, Phoenix, Arizona 85003. You may also call this office at (602) 506-7280.
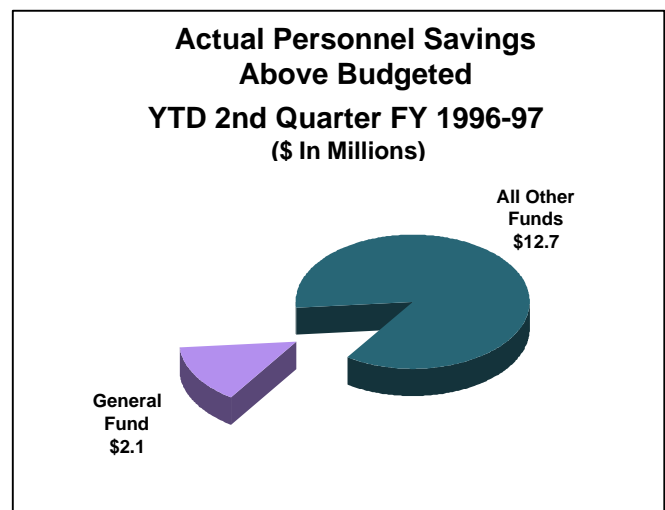
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SUMMARY FINDINGS

Strategic issues are currently being addressed which will steer Maricopa County into the 21st century. The top priority is being devoted to providing effective service delivery. To achieve Board directed goals, policies and programs are being developed to enhance retention of quality personnel. A Broadbanding Compensation Plan is being considered to provide competitive compensation and to reward higher achievers. Employee dissatisfaction issues are being reviewed to provide information which can help to identify potential managerial issues so that resolutions can be reached.
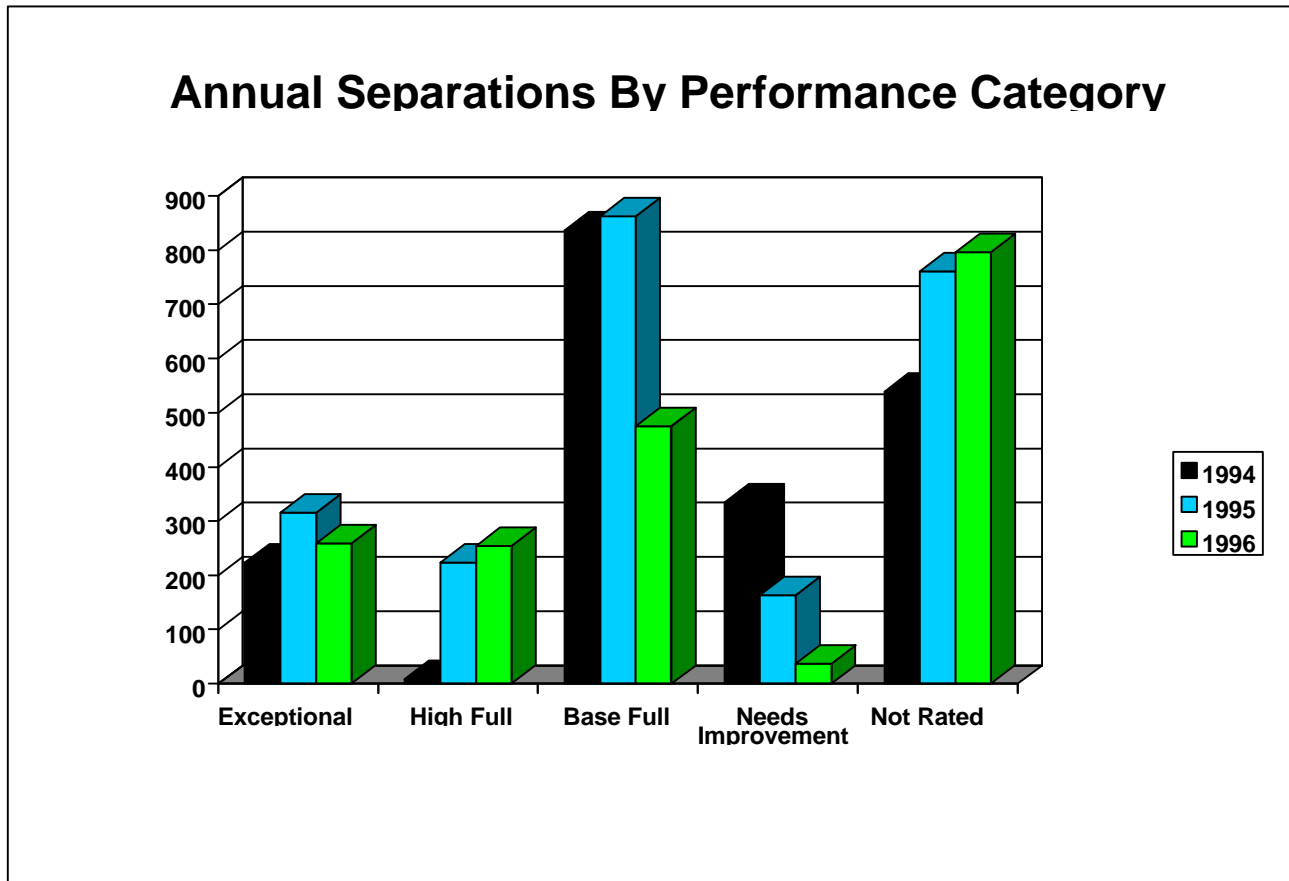
**Actual Personnel Savings
YTD 2nd Quarter FY 1996-97**

($ In Millions)

All Other
Funds
$19.6
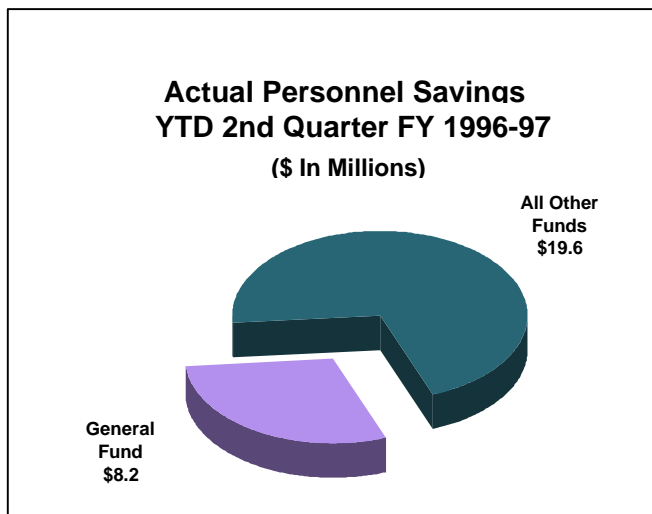
General
Fund
$8.2

The year-to-date 2nd quarter actuals for gross personnel savings Countywide total $27.8 million of which $8.2 million or 29.5% is in the General Fund. The chart to the left shows the gross actual savings.

The year-to-date 2nd quarter actuals for personnel savings above what is budgeted Countywide total $14.8 million, of which $2.1 million or 14.2% is in the General Fund. The chart to the right shows this graphically.

**Actual Personnel Savings
Above Budgeted**

YTD 2nd Quarter FY 1996-97

($ In Millions)

All Other
Funds
$12.7

General
Fund
$2.1

A 1.14% reduction in Maricopa County's turnover rate, or attrition, from the first quarter of FY 1996-97, puts the County's current turnover at 14.35%. For every additional position vacated during the first half of this fiscal year, there were 1.8 positions filled. Of the positions involuntarily vacated, 19% were attributed to misconduct. This indicates that managers are dealing with personnel issues through progressive discipline. The implementation of a formal employee separation program, along with a Countywide Ethics Policy, will be introduced shortly. These policies will help to set defined behavior parameters for employees to follow.

Countywide voluntary separation statistics available show 11% of these separations were due to job dissatisfaction and 26% were for job change. Performance management is a retention strategy currently in place to address this issue with high performers. The Maricopa County Performance Management Program is currently under review for enhancement. This program encourages managers to establish defined performance plans which support and provide a framework to allow employees to successfully perform their jobs. It also provides supervisors with the knowledge and skills necessary to successfully manage and enhance employee performance.
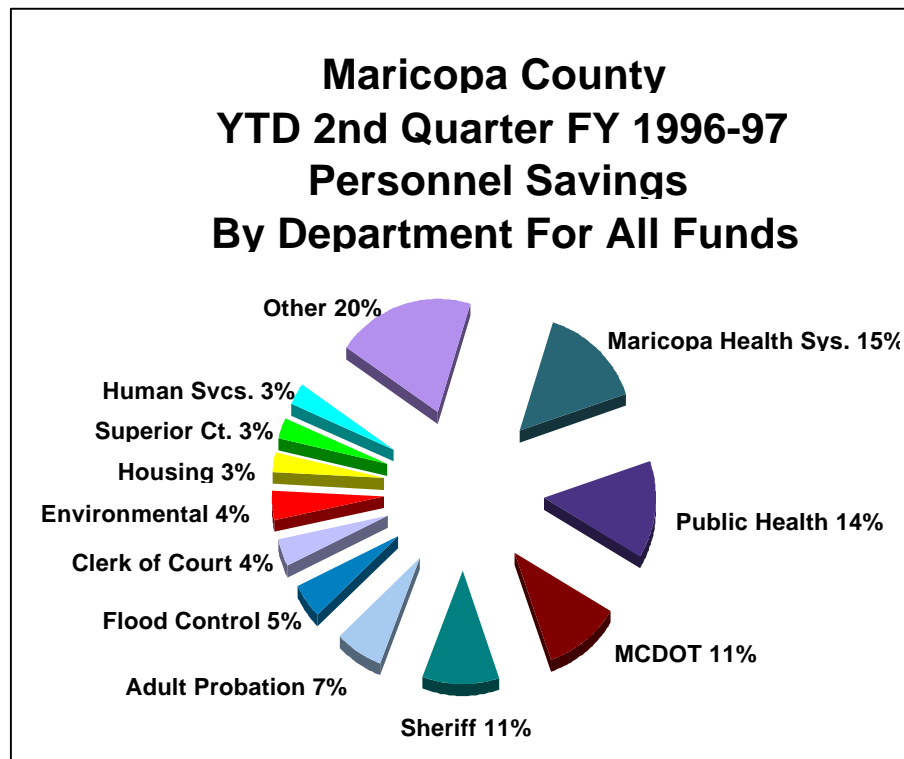
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PERSONNEL SAVINGS

Personnel savings occur when positions remain vacant, or when the actual pay of a position is lower than budgeted. These savings are made up of three components: salary savings, benefit savings and turnover, or attrition. This creates savings in personal services expenditures. OMB estimates annual salary savings for budget purposes, based on actual experience.

Maricopa County year-to-date 2nd quarter FY 1996-97 actual personnel savings for all funds total $27.8 million. This is $14.8 million greater than the budgeted amount. The major salary savings by department are shown on the chart below.

Maricopa County
YTD 2nd Quarter FY 1996-97
Personnel Savings
By Department For All Funds

- Other 20%
- Maricopa Health Sys. 15%
- Human Svcs. 3%
- Superior Ct. 3%
- Housing 3%
- Environmental 4%
- Clerk of Court 4%
- Flood Control 5%
- Adult Probation 7%
- Sheriff 11%
- MCDOT 11%
- Public Health 14%

MARICOPA COUNTY YTD 2ND QUARTER FY 1996-97 PERSONNEL SAVINGS ALL FUNDS				
Total Budget Personnel Costs	Actual Personnel Costs	Actual Personnel Savings	Budgeted Personnel Savings	Actual Personal Savings Above Budget
$258,130,296	$230,355,691	$27,774,605	$12,934,188	$14,840,417

General Fund year-to-date actual personnel savings for the 2nd quarter are $8.2 million or 29.5%.

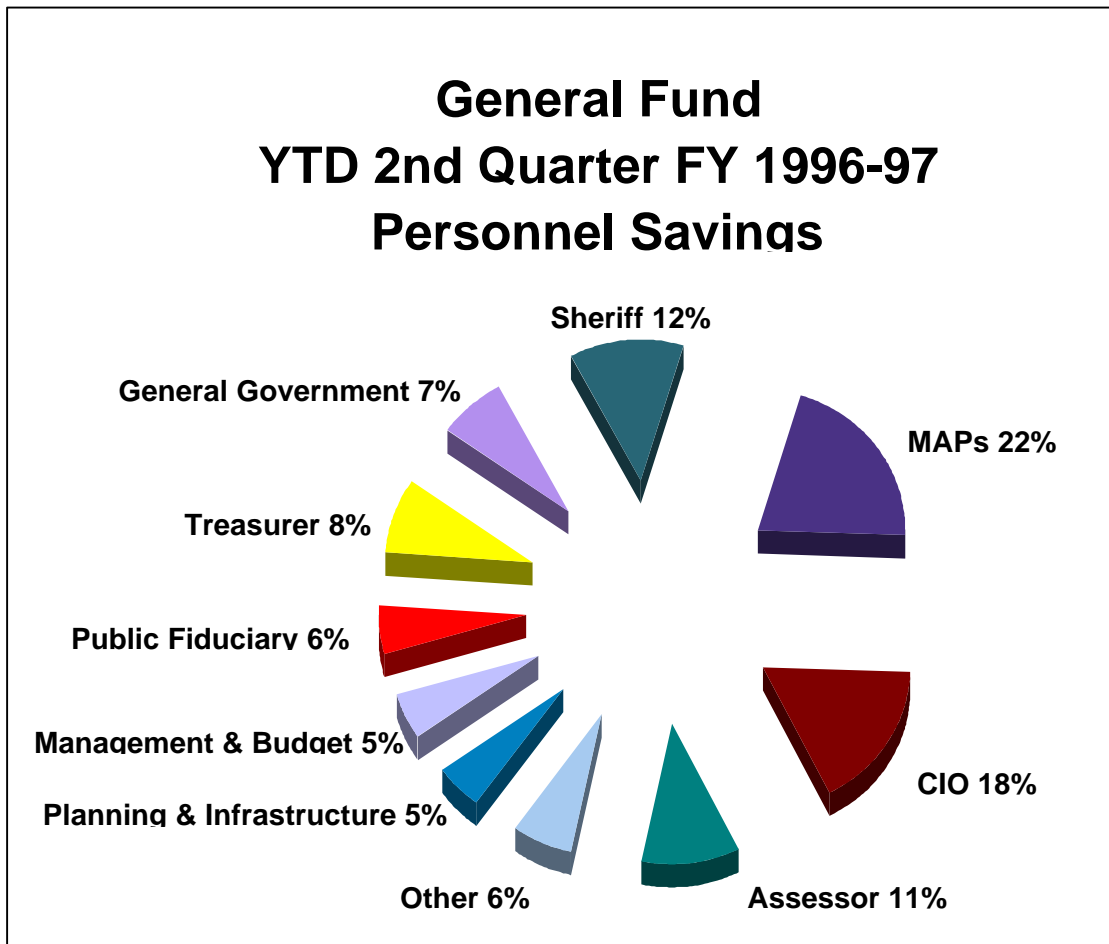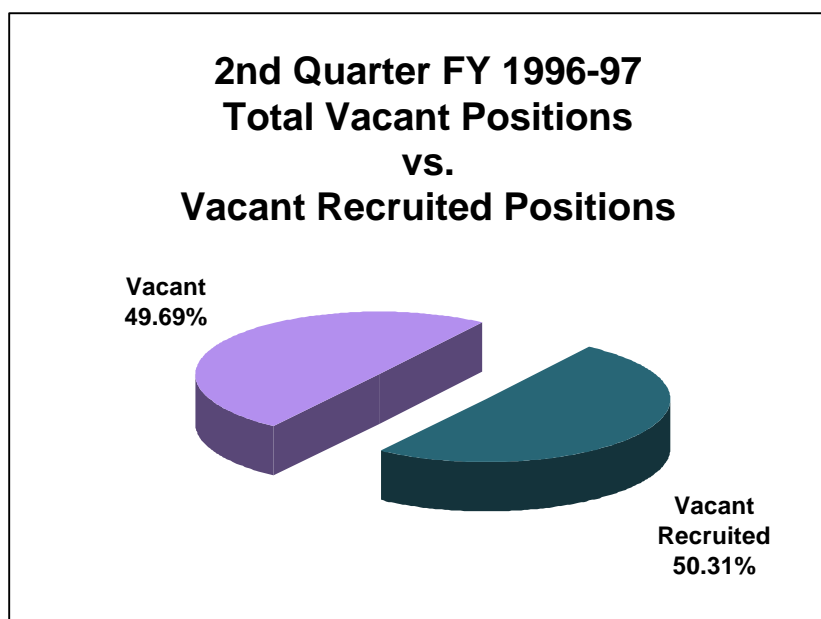| GENERAL FUND YTD 2ND QUARTER FY 1996-97 PERSONNEL SAVINGS				
Total Budget Personnel Costs	Actual Personnel Costs	Actual Personnel Savings	Budgeted Personnel Savings	Actual Personal Savings Above Budget
$130,841,000	$122,589,944	$8,251,056	$6,079,858	$2,171,198

General Fund personnel savings above what was budgeted is $2.1 million. The chart shows the actual personnel savings by department.

General Fund
YTD 2nd Quarter FY 1996-97
Personnel Savings

Sheriff 12%
General Government 7%
MAPs 22%
Treasurer 8%
Public Fiduciary 6%
CIO 18%
Management & Budget 5%
Planning & Infrastructure 5%
Other 6%
Assessor 11%

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ATTRITION

As of December 31, 1996, 14.35% of regular positions were vacant. Of those vacant positions, only 50.31% were being actively recruited.

**2nd Quarter FY 1996-97
Total Vacant Positions
vs.
Vacant Recruited Positions**

Vacant
49.69%

Vacant
Recruited
50.31%

The departments with the largest number of positions vacant are listed below.

MAJOR DEPARTMENT VACANCIES BY NUMBER				
Department	**Number Vacant**	**Number Filled**	**Total Positions**	**Number Recruited**	**% Vacant Recruited**
Maricopa Health System	664	2,041	2,705	377	57%
Public Health	151	507	658	40	26%
Sheriff's Office	124	2,003	2,127	117	94%
Clerk of the Superior Court	105	533	638	24	23%
Superior Court	77	678	755	33	43%
Transportation	77	445	522	37	48%
Adult Probation	73	748	821	31	42%
County Attorney	73	672	745	34	47%

Departments with the largest percent of vacancies are shown on the table below[1].
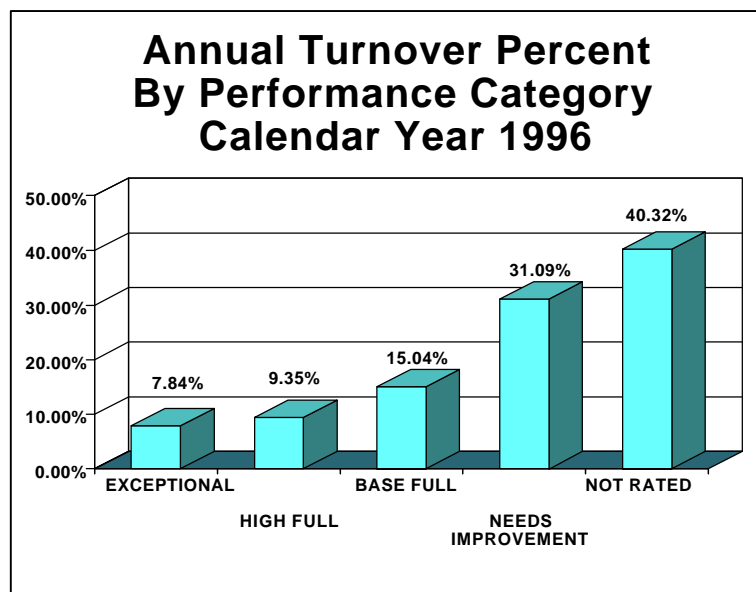
MAJOR DEPARTMENT VACANCIES BY PERCENT

Department	% Vacant	Total Positions	Number Vacant	Number Recruited	% Vacant Recruited
Library District	26.80%	153	41	29	70.73%
Materials Management	25.93%	54	14	3	21.43%
Maricopa Health System	24.55%	2,705	664	377	56.78%
Public Health	22.95%	658	151	40	26.49%
Human Resources	21.25%	80	17	3	17.65%
Housing	20.31%	64	13	4	30.77%
Office of CIO	20.18%	109	22	10	45.45%

COUNTYWIDE ATTRITION

Total Funded Positions	No. Vacant	Turnover	Recruited	% Vacant Recruited
13,590	1,950	14.35%	981	50.31%

Two departments which have the highest number of vacant positions and highest vacancy rates are the Maricopa Health System and Public Health. This may indicate a shortage of skilled workers or a compensation issue in the health industry which is affecting our recruitment efforts.

Organization-wide turnover rates, or attrition, by performance rating show higher performing employees are <u>not leaving</u> at as fast a rate as other groups. This is a trend that is advantageous to the County, and a sign that the Performance Management Program is having a positive impact on high performer employee attrition. Those "not rated" on the chart are new employees.

Annual Turnover Percent By Performance Category Calendar Year 1996

Category	Turnover
EXCEPTIONAL	7.84%
HIGH FULL	9.35%
BASE FULL	15.04%
NEEDS IMPROVEMENT	31.09%
NOT RATED	40.32%

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[1] **Departments with less than 25 employees are not listed due to skewing of percentages, as described in the introduction.**
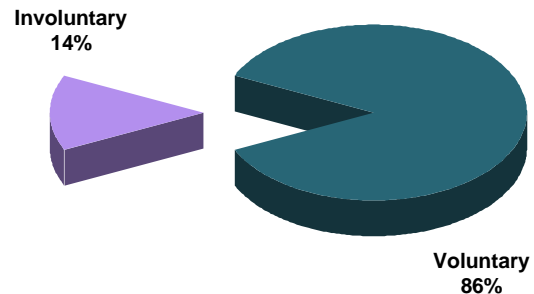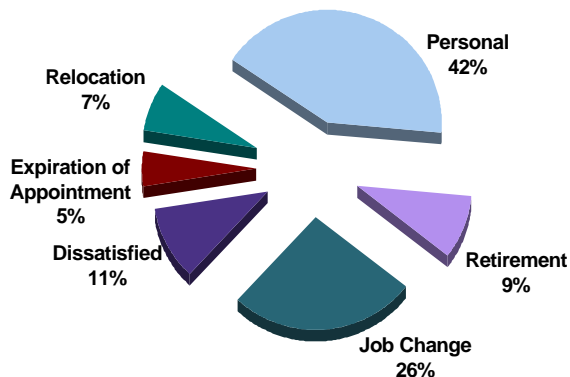
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SEPARATIONS

Maricopa County has targeted April 1, 1997 for implementation of a formal employee separation program consisting of outprocessing and exit interviews. This new strategy will provide employee separation information for reporting and analysis purposes. It will assist the County in the resolution of staffing issues such as employee retention.

Employee separations fall into two major categories, voluntary and involuntary, as the chart to the right indicates.

**Major Separation Categories
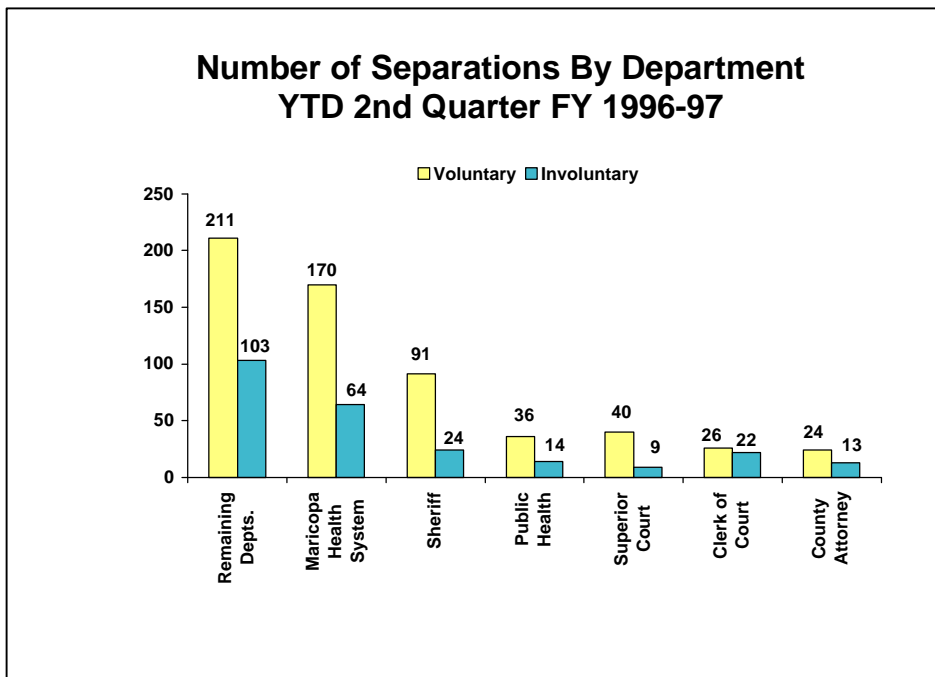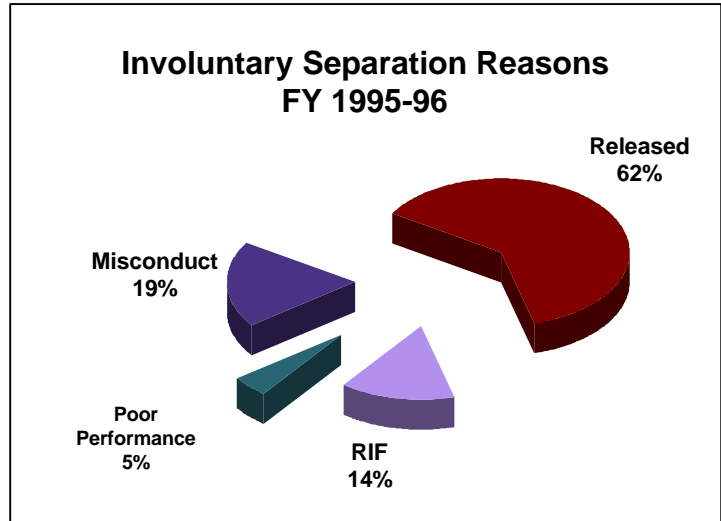2nd Quarter FY 1996-97**

Involuntary
14%

Voluntary
86%

**Voluntary Separation Reasons
FY 1995-96**

Personal
42%

Relocation
7%

Expiration of
Appointment
5%

Dissatisfied
11%

Retirement
9%

Job Change
26%

Voluntary separation reasons far outpace involuntary reasons due primarily to the organizations "catch-all" category, personal reasons, as indicated in the chart to the left. These include marriage or domestic obligations, military, medical, return to school and quit without notice. The personal reasons category will be better defined with the new outprocessing and exit interview procedures in order to better categorize the separation reasons.

As shown in the chart to the right, the dominant involuntary separation reason is released. Released is defined as involuntary leave while on initial probation or involuntary leave from Merit System Unclassified status. Through implementation of a formal employee separation program, again, broad separation categories can be narrowed and successfully tracked.

**Involuntary Separation Reasons
FY 1995-96**

Released
62%

Misconduct
19%

Poor
Performance
5%

RIF
14%

**Number of Separations By Department
YTD 2nd Quarter FY 1996-97**

☐ Voluntary ☐ Involuntary

| | 211 | 170 | 91 | 36 | 40 | 26 | 24 |
| | 103 | 64 | 24 | 14 | 9 | 22 | 13 |

Remaining Depts.
Maricopa Health System
Sheriff
Public Health
Superior Court
Clerk of Court
County Attorney

The departments showing the largest number of voluntary and involuntary separations for the first two quarters of FY 96-97 are shown graphically in the chart to the left.

**Number of Separations
For Remaining Departments
YTD 2nd Quarter FY 1996-97**

Other - 89

Adult Probation - 31

MCDOT - 26

Facilities - 26

MAPs - 23

Indigent Rep. - 21

Environmental - 21

Juvenile Ct. - 19

Justice Cts. - 16

ALTCS 16

Human Services - 13

Assessor - 13
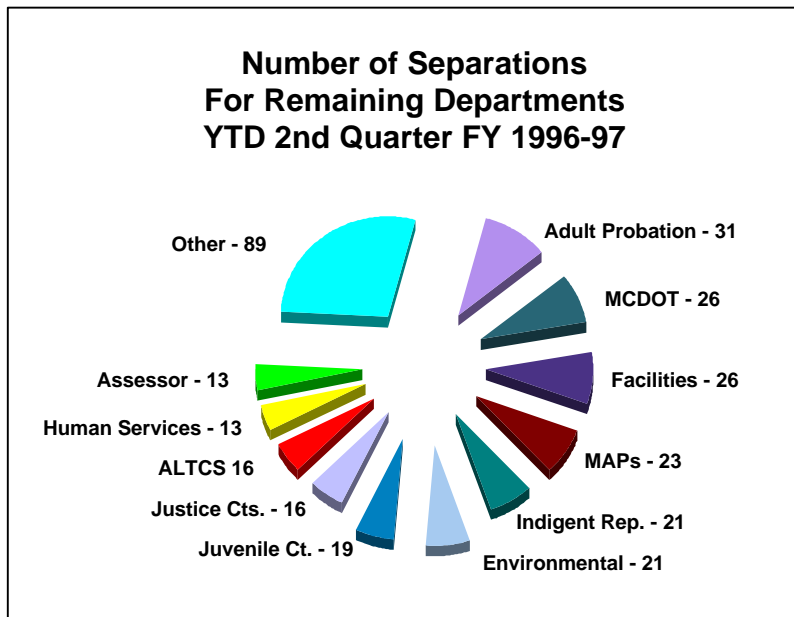
The "Remaining departments" category showing the largest number of separations for the first two quarters of FY 96-97 is broken down graphically in the chart to the left.

Separations are a key indicator of employee satisfaction and the County's ability to retain high performers. Improved information and data collection through outprocessing will enable managers to better understand and resolve separation issues. As Maricopa County continues to improve its Performance Management Program, the positive effect should help in retaining the highest performers.